

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

<b>In the Matter of</b>	)	
	)	
<b>A La Carte and Themed Tier Programming</b>	)	<b>MB Docket No. 04-207</b>
<b>and Pricing Options for Programming</b>	)	
<b>Distribution on Cable Television and Direct</b>	)	
<b>Broadcast Satellite Systems</b>	)	

**REPLY COMMENTS OF MBC NETWORK**

MBC Gospel Network LLC, which distributes MBC Network ("MBC") (to be known as the Black Family Channel beginning October 1, 2004) hereby replies to selected comments in this proceeding. Contrary to the apparent assumptions of several commenters, mandatory a la carte carriage would not assure all programming services of distribution. The record in this proceeding is clear and unequivocal -- independent programmers, particularly those that target minority audiences, would be the likely victims of mandatory a la carte carriage or mini-tiers.

Several commenters suggest that all programming services somehow would be assured of distribution if the Commission required a la carte carriage of services currently carried on broad service tiers. See, e.g., Comments of Urban Broadcasting Company at 2 ("Fortunately, a la carte could open up the cable industry to minority cable television networks such as UBC. If consumers were able to purchase minority cable television networks on an a la carte basis, cable carriers would have no excuse not to enter into carriage deals with minority cable television networks."); Comments of Mattox Woolfolk, LLC at 1 (an "a la carte system" will grant minority programmers "the ability to sell their programming in an open media marketplace").

However, no commenter provides any reasoned basis for the assumption of expanded access. A la carte carriage, even if mandatory, does not equate to common carriage or open access.

Instead of guaranteeing distribution, a la carte carriage will make it even more difficult for independent programmers to reach their audiences. First, to the extent that any government-sponsored a la carte platform would require the duplication on digital channels of program services currently carried on analog tiers, the channel capacity available for other services would shrink. As a result, it would become more difficult for independent programmers, particularly those that target minority audiences, to obtain distribution. Second, a la carte would require programmers to engage in two-track marketing. A programmer would have to market not only to distributors to convince them to launch its service, but also directly to consumers to convince them to make individual purchase decisions to buy the service. As NBC explained in its comments, it is ill-equipped to pursue this latter kind of broad-based marketing campaign. Such retail marketing is enormously expensive and creates substantially greater barriers to entry into the programming marketplace.

Some commenters seem to believe that “specialty” programmers will not be impaired as a result of any a la carte carriage requirement because “most specialty networks are owned in part or in full by large media corporations that are focused on extending their existing assets.” Comments of Parents Television Council at 6. The Consumers Union and Consumer Federation of America repeat this claim and assert at 1 that there are no independent programming services for African Americans:

Indeed, today very few channels are independent or controlled by women and people of color. Those that do exist are under the firm control of the cable barons’ or broadcast media giant’s control.

See also UBC Comments at 2 (“There is not one independent and national African American cable television networks.”).

These commenters are simply wrong on the facts. MBC is an independent, national African American cable television network. It is not owned in whole or in part or controlled by a large cable or media corporation. MBC would be seriously and adversely affected by any conversion to an a la carte regime because it would significantly increase MBC's costs, placing it at a further competitive disadvantage with other networks that are owned by broadcasters or other media conglomerates.

As MBC explained in its comments, a la carte carriage or mini-tiers would be bad for programmers and consumers because either approach would substantially decrease distribution and advertising revenues; drive up license fees to distributors and consumers; add millions of dollars of marketing expense; decrease programming investment and diversity; and further increase media consolidation by eliminating independent programmers and new entrants. Mandatory a la carte or mini-tier distribution would achieve the opposite of its objectives -- fewer consumer choices at greater cost.

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Respectfully submitted

MBC GOSPEL NETWORK, LLC

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